



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

200927044

APR - 9 2009

SET:EP:RA:T3

Uniform Issue List: 408.03-00

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Legend:

IRA X	=	*****
IRA Y	=	*****
IRA Z	=	*****
Amount A	=	*****
Amount B	=	*****
Amount C	=	*****
Amount D	=	*****
Amount E	=	*****
Date 1	=	*****
Date 2	=	*****
Company A	=	*****

Dear \*\*\*\*\*:

This is in response to your request dated \*\*\*\*\*, 2008, as supplemented by correspondence dated \*\*\*\*\*, 2008, in which you request a waiver of the 60-day rollover requirement contained in section 408 (d) (3) of the Internal Revenue Code (the "Code").

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

You are 60 years old. You maintained Individual Retirement Account (IRA) X, IRA Y and IRA Z with Company A. You represent that a distribution was made from each of these IRAs on Date 2. Amount A was distributed from IRA X, Amount B was distributed from

IRA Y and Amount C was distributed from IRA Z. Amount D represents the total amount of funds distributed from your IRAs with Company A on Date 2. Amount E represents the amount you intended to roll over to an IRA. Amount E was not re-invested, as you intended, in an IRA before the expiration of the statutorily required 60-day period.

You assert that your failure to accomplish a rollover of Amount E within the 60-day period prescribed by section 408 (d) (3) of the Code was due to your medical condition which impaired your decision making ability during the 60-day period. You seek a ruling waiving the 60-day period to roll over Amount E. You have submitted documentation reflecting that you were diagnosed with terminal cancer on Date 1. You have submitted a letter from your oncologist that documents your state of mental and physical health during the 60-day period. You have submitted documentation explaining that some of the distributed funds have been used to pay for funeral arrangements. Your explanation of the use of funds accounts for the difference between Amount D and Amount E.

Based on the facts and representations stated above you request a ruling that the Internal Revenue Service waive the 60-day rollover requirement contained in section 408 (d) (3) of the Code regarding Amount E.

Section 408 (d) (1) of the Code provides that, except as otherwise provided in section 408 (d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408 (d) (3) of the Code defines and provides the rules applicable to IRA rollovers.

Section 408 (d) (3) (A) of the Code provides that section 408 (d) (1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if—

- (i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60<sup>th</sup> day after the day on which the individual receives the payment or distribution; or
- (ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60<sup>th</sup> day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408 (d) (3)).

Section 408 (d) (3) (B) of the Code provides that section 408 (d) (3) does not apply to any amount described in section 408 (d) (3) (A) (i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408 (d) (3) (A) (i) from an IRA which was not includible in gross income because of the application of section 408 (d) (3).

Section 408 (d) (3) (D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408 (d) (3) (I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408 (d) (3) (A) and 408 (d) (3) (D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408 (d) (3) (I) of the Code.

Revenue Procedure 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408 (d) (3) (I) of the Code, the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error; (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented and documentation you submitted is consistent with your assertion that your failure to accomplish a timely rollover was caused by your medical condition which impaired your decision making ability during the 60-day period.

Therefore, pursuant to section 408 (d) (3) (I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to distributions totaling Amount E. You are granted a period of 60 days from the issuance of this ruling letter to contribute Amount E into a rollover IRA. Provided all other requirements of section 408 (d) (3) of the Code, except the 60-day requirement, are met with respect to such contribution, contributing Amount E into one or more IRAs described in Code section 408(a) will be considered a rollover contribution within the meaning of section 408 (d) (3) of the Code.

No opinion is expressed as to the tax treatment of the transaction described herein under the provisions of any other section of either the Code or regulations which may be applicable thereto. This letter expresses no opinion as to whether IRA X, IRA Y or IRA Z satisfied the requirements of section 408 of the Code.

This letter is directed only to the taxpayer who requested it. Section 6110 (k) (3) of the Code provides that it may not be used or cited as precedent.

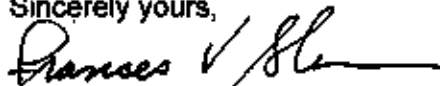
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200927044

Page 4

If you wish to inquire about this ruling, please contact \*\*\*\*\*, ID # \*\*\*\*\*, at \*\*\*\*\*. Please address all correspondence to SE:T:EP:RA:T3.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Frances V. Sloan", with a stylized flourish at the end.

Frances V. Sloan, Manager  
Employee Plans Technical Group 3

Enclosures:

Deleted copy of ruling letter

Notice of Intention to Disclose